

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, George W. Bush, Governor of Texas, do hereby disapprove and veto House Bill 2766 because of the following objections:

The market for health care is undergoing rapid and revolutionary change. This Bill attempted the difficult task of balancing the often conflicting interests of the parties in the health care delivery system while attempting to preserve consumer affordability. Had that focus remained sharp, good law would have resulted. Unfortunately, the final Bill imposes numerous new regulations on managed care organizations, adds potentially significant costs to state and local governments and private employers, and contains exemptions which may give a competitive advantage to some managed care organizations. The result was too little protection for patients and much too much protection for special interests combined with too little competition and too much cost.

The most blatant example of tilting the playing field for a special interest is that at least one managed care entity is totally excluded from the Bill's provisions, while others must comply. The Bill also requires a specialty hospital (of which there is one in Texas) to be a provider for every HMO plan in the state. While well-intended, these provisions increase costs for all Texans, including those who might not need or choose such services.

The provisions that would have expanded patient freedom of choice (perhaps the Bill's best feature) are unfortunately written so broadly that the Federal Health Care Financing Administration has indicated the Bill may violate federal requirements. Other provisions of the Bill may also contravene the Federal HMO Act.

Nevertheless, the Bill addressed a number of legitimate concerns, particularly in the area of patient protection and quality assurance. Therefore, I will direct the Commissioners of Insurance and Health to promulgate the following rules: (1) require disclosure of information concerning plan terms and conditions to allow enrollees and employers to make informed decisions when selecting among managed care plans; (2) allow evaluation of managed care plans to ensure consumers are receiving quality care at an affordable price; (3) where possible, expand HMO patient choice to allow for continuity of treatment should a patient's treating physician be terminated; (4) implement reasonable due process procedures to ensure providers are given reasons if they are turned down or terminated from a managed care plan; and (5) prohibit retaliatory actions by HMOs against patients for filing complaints or appealing decisions.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 16th day of June, 1995.




George W. Bush
Governor of Texas